

**DRAFT - For Discussion Only**  
**December 16, 2005**  
**Revised From 11/30/05 Version**

**7.4 Billing Dispute**

**A. Corrections or Adjustments to Settlement Information**

Settlement information for services furnished prior to October 1, 2002, shall be subject to correction or adjustment for errors by the ISO in arithmetic, computation, or estimation for up to twenty-four (24) months from the date of the initial invoice for the month in which service is rendered and as further provided in Section 7.4.C, below. Settlement information for services furnished beginning October 1, 2002, and thereafter shall be subject to correction or adjustment for errors by the ISO in arithmetic, computation or estimation for up to twelve (12) months from the date of the initial invoice for the month in which service is rendered and as further provided in Sections 7.4.C, below. **The NYISO shall notify all affected Customers of errors identified and the details of corrections or adjustments made pursuant to this Section 7.4.A.**

**B. Customer Challenges to the Accuracy of Settlement Information**

After making any necessary corrections in accordance with Section 7.4.A, the ISO shall issue a corrected invoice for Customer review, clearly indicating the start of the Customer review period. In the event that the ISO determines no corrections to an invoice are necessary, it shall reissue the original invoice for Customer review, clearly indicating the start of the Customer review period for that invoice. Customers shall then be permitted to review the accuracy of settlement information contained in the invoice for a period of: (i) twelve (12) months for invoices for services furnished prior to October 1, 2002, and (ii) four (4) months for invoices for services furnished beginning October 1, 2002, and thereafter.

In order to challenge settlement information contained in an invoice, a Customer shall first make payment in full, including any amounts in dispute. Customer challenges to settlement information shall: (i) be submitted to the ISO in writing, (ii) be clearly identified as a settlement challenge, (iii) state the basis for the Customer's challenge, and (iv) include supporting documentation, if applicable.

**C. Review and Correction of Challenged Invoices**

The ISO shall evaluate a settlement challenge ~~within two~~ **as soon as possible but in no event later than six (6)** calendar months following the conclusion of the challenge period specified in Section 7.4.B. The ISO shall not be limited to the scope of Customer challenges in

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its review of a challenged invoice and may, at its discretion, review and correct any other elements and intervals of a challenged invoice. Corrections to a challenged invoice shall be applied to all Customers that were or should have been affected by the original settlement and shall not be limited to the Customer challenging the invoice; *provided, however*, that the ISO may recover *de minimis* amounts or amounts that the ISO is unable to collect from individual Customers through Rate Schedule 1 of the Services Tariff.

If the ISO determines that corrections or adjustments to a challenged invoice are necessary and can quantify the corrections or adjustments with reasonable certainty, the ISO shall provide all affected Customers with the details of the ~~potential adjustment within two~~ **corrections or adjustments as soon as possible but in no event later than six (6)** calendar months **following the conclusion of the challenge period specified in Section 7.4.B.** and shall provide a period of thirty (30) calendar days for affected Customers to review the potential corrections or adjustments and provide comment to the ISO. After the Customer comment period, the ISO shall make any final corrections or adjustments that it determines are necessary and shall issue a close-out Settlement ("Close-Out Settlement"), clearly identified as such in the next monthly billing invoice. Close-Out Settlements shall not be subject to further correction by the ISO except as ordered by the Commission or a court of competent jurisdiction.

